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From: de La Chapelle, Dominique  
Sent: Monday, September 24, 2007 12:58 PM  
To: Eady, Chip  
Subject: RE: Dexia

Chip - I just left you a long voicemail with Steve DeGroat from Dexia. He's the guy we want to deal with in these direct purchases of City debt in CA. I gave him your phone number and email address. His phone number is 212 515 7177. Please give him a call at your convenience as I will be on vacation for the rest of this week. Thanks, Dominique

-----Original Message-----

From: Eady, Chip  
Sent: Friday, September 14, 2007 9:39 PM  
To: de La Chapelle, Dominique  
Cc: Wheeler, Laura  
Subject: RE: Dexia

Excellent, though our client in this transaction is the borrower (City of Bell), and discussions with Dexia have occurred only through the underwriter/placement agent (Wedbush Morgan Securities). Just so both of you are up to speed about the document and structure, attached is what we drafted for our borrower client which was accepted with minor changes by Umpqua Bank. Umpqua (derived from Umpquah, a regional Indian tribe in Oregon) is an aggressively growing and very well managed bank -- I was very impressed with them and their counsel (Foster Pepper in Portland). See <http://www.umpquabank.com/> -- people we should get to know better because they are lending on muni projects around growing areas of California in the north.

Chip Eady

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[www.nixonpeabody.com](http://www.nixonpeabody.com) To ensure compliance with IRS requirements, we inform you that any federal tax advice contained in this communication (including any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this communication (including any attachment).

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-----Original Message-----

From: de La Chapelle, Dominique  
Sent: Friday, September 14, 2007 7:30 AM  
To: Eady, Chip  
Subject: RE: Dexia

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Sent: Thursday, September 13, 2007 10:19 PM  
To: de La Chapelle, Dominique  
Subject: RE: Dexia

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-----Original Message-----

From: de La Chapelle, Dominique  
Sent: Thursday, September 13, 2007 6:52 PM  
To: Eady, Chip  
Subject: Re: Dexia

Chip - I am at a bit of a loss in trying to understand what it is you are asking me to do w/r/t Dexia. Sorry to be so thick. Dominique

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Eady, Chip  
To: de La Chapelle, Dominique  
Sent: Thu Sep 13 21:40:42 2007  
Subject: Dexia

Dominique, looks like Dexia may make a taxable bridge loan to one of our City clients. Offhand, do you know whether they have done similar deals with other cities in CA and what docs they used? We just developed something brand new for a deal that closed today -- it works under both CA and federal law for cities, counties and school districts, and works equally well for a term loan as it does for the line of credit that was the focus of this transaction. Please keep this document to yourself for the time being, but if you have any comments or perspectives on whether we could coax Dexia into using something like it, that could expedite our transaction.

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2007/07/10

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From: Eady, Chip  
Sent: Tuesday, September 18, 2007 12:21 AM  
To: de La Chapelle, Dominique  
Subject: Re: Dexia

Yes

-----Original Message-----  
From: de la Chapelle, Dominique  
To: Eady, Chip  
CC: Wheeler, Laura  
Sent: Sun Sep 16 17:00:30 2007  
Subject: Re: Dexia

So I have the greenlight to approach Dexia about this? Dominique

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Sent from my BlackBerry Wireless Handheld

-----Original Message-----  
From: Eady, Chip  
To: de La Chapelle, Dominique  
CC: Wheeler, Laura  
Sent: Fri Sep 14 21:39:14 2007  
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-----Original Message-----  
From: de La Chapelle, Dominique  
Sent: Friday, September 14, 2007 7:30 AM

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To: Eady, Chip  
Subject: RE: Dexia

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Subject: RE: Dexia

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Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Eady, Chip  
To: de La Chapelle, Dominique  
Sent: Thu Sep 13 21:40:42 2007  
Subject: Dexia

Dominique, looks like Dexia may make a taxable bridge loan to one of our City clients. Offhand, do you know whether they have done similar deals with other cities in CA and what does they used? We just developed something brand new for a deal that closed today -- it works under both CA and federal law for cities, counties and school districts, and works equally well for a term loan as it does for the line of credit that was the focus of this transaction. Please keep this document to yourself for the time being, but if you have any comments or perspectives on whether we could coax Dexia into using something like it, that could expedite our transaction.

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**From:** Eady, Chip  
**Sent:** Saturday, September 15, 2007 10:29 AM  
**To:** Wheeler, Laura; de La Chapelle, Dominique  
**Subject:** Re: Dexia

Laura, none is needed because the installment purchase structure is well settled in a pledged revenue context (special fund and/or annual appropriation). We used it for Oakland's tax-exempt pension bonds. For a non-revenue pledge situation we would use a lease (as for purchase of land). We can discuss at your convenience. Thanks, Chip

-----Original Message-----

**From:** Wheeler, Laura  
**To:** Eady, Chip; de La Chapelle, Dominique  
**Sent:** Sat Sep 15 12:52:46 2007  
**Subject:** Re: Dexia

Sounds interesting.

Chip -- Do you file a validation action to confirm it works?

-----Original Message-----

**From:** Eady, Chip  
**To:** de La Chapelle, Dominique  
**CC:** Wheeler, Laura  
**Sent:** Fri Sep 14 21:39:14 2007  
**Subject:** RE: Dexia

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